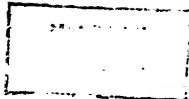


2. SUMMARY: EC COMMISSION EXTERNAL RELATIONS OFFICIALS ARE SENSITIVE TO PAKISTAN'S NEED FOR EXTERNAL POLITICAL AND ECONOMIC SUPPORT, ALTHOUGH THEY SAY THEY ARE PERPLEXED AT ISLAMADAD'S APPARENT RELUCTANCE TO MAKE ITS OWN CASE MORE FORCEFULLY. WE ARE TOLD THE COMMISSION IS NOT NOW CONSIDERING A CASH CONTRIBUTION TO UNHCR'S AFGHAN REFUGEE RELIEF PROGRAM, BUT THIS COULD CHANGE IF UNHCR PRESENTS TO THE EC AN ADEQUATE CASE FOR EMERGENCY RELIEF. END SUMMARY.

3. MISSION OFFICERS RECENTLY DISCUSSED EXTERNAL SUPPORT FOR PAKISTAN WITH EC COMMISSION OFFICIALS DRAWING ON INFORMATION PROVIDED REF A. THESE OFFICIALS AGREED WITH CITING FACT THAT POLITICAL COMMITTEE (EC-TEN POLITICAL DIRECTORS) HAD RECENTLY ASKED THE COMMISSION TO LOOK AT

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PAGE 01 BRUSSE 02072 202210Z
ACTION NEA-11

INFO OCT-01 ADD-00 AID-07 INR-10 EUR-12 SS-15 CIAE-00
ED-00 EA-10 ICA-11 N-01 IO-14 NSAC-00 COME-00
NA-06 L-03 LAD-04 TRSE-00 OPIE-02 FEA-01 ONR-01
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E.O. 12065: ODS 02/24/87 (LORIE, ARTHUR L.) CD-P
TAGS: EAD, SREF, EEC, PM, M
SUBJ: EC VIEWS ON ECONOMIC SUPPORT FOR PAKISTAN

2. SUMMARY: EC COMMISSION EXTERNAL RELATIONS OFFICIALS
ARE SENSITIVE TO PAKISTAN'S NEED FOR ECONOMIC POLITICAL AND
ECONOMIC SUPPORT, ALTHOUGH THEY SAY THEY ARE FRUSTRATED BY
ISLAMABAD'S APPARENT RELUCTANCE TO MAKE ITS OWN CASE
MORE FORCEFULLY. WE ARE TOLD THE COMMISSION IS NOW CON-
SIDERING A CASH CONTRIBUTION TO WHICH'S OFFERED EMERGENCY
RELIEF PROGRAM, BUT THIS COULD CHANGE IF OTHER MEMBERS TO
THE EC AN ADEQUATE CASE FOR EMERGENCY RELIEF. END SUMMARY.

3. MISSION OFFICERS RECENTLY DISCUSSED EXTERNAL SUPPORT
FOR PAKISTAN WITH EC COMMISSION OFFICIALS BASED ON
INFORMATION PROVIDED REF. A. THESE OFFICIALS AGREE WITH
DESIRABILITY OF A COLLECTIVE POLITICAL AND ECONOMIC EFFORT,
CITING FACT THAT POLITICAL COMMITTEE (EC-10N POLITICAL
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PAGE 02 BRUSSE 02072 202210Z

DIRECTORS) HAD RECENTLY ASKED THE COMMISSION TO LOOK AT

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WHAT MORE IT CAN DO FOR THE AFGHAN REFUGEES IN PAKISTAN. SEVERAL MEMBER STATES WERE PARTICULARLY DETERMINED THAT ANY FOOD AID PROPOSED FOR VIETNAM SHOULD INSTEAD GO TO PAKISTAN. THE COMMISSION HAS NOT YET FORMULATED A PROGRAM ADDITIONAL TO THOSE ALREADY PLANNED FOR 1981 (PARA. 5) IN RESPONSE TO POLITICAL COMMITTEE.

4. COMMISSION OFFICIALS EXPRESSED BEWILDERMENT OVER FACT THAT PAKISTAN HAS NOT BEEN MORE STRONGLY MAKING ITS OWN CASE FOR EXTERNAL ASSISTANCE. MOST OF DEMARCHE TO EC HAVE COME FROM THIRD PARTIES. [4 LINES EXCISED]

5. EC OFFICIALS NOTE THE FOLLOWING SPECIFIC EC AID DECISION IN FAVOR OF PAKISTAN:

(A) FOOD AID.

EC COMMISSION HAS PROPOSED TO THE EC COUNCIL THAT PAKISTAN RECEIVE 35,000 TONS OF CEREALS, 750 TONS OF [WORD ILLEG], AND 1,500 TONS OF BUTTEROIL UNDER THE 1981 REGULAR FOOD AID PROGRAM. UNDER THE EMERGENCY PROGRAM, THE COMMISSION IS PROPOSING 1,500 TONS OF CEREALS FOR THE AFGHAN REFUGEES TO BE CHANNELED THROUGH UNHCR.

(B) PROJECT AID.

EC DECIDED IN DECEMBER 1980 THAT PAKISTAN SHOULD, UNDER 1980 AID PROGRAM FOR NON-ASSOCIATED STATES, RECEIVE 5.8 MILLION EUROPEAN UNITS OF ACCOUNT UNDER THIS BUDGET HEADING TO BE ALLOCATED AS FOLLOWS: 4 MILLION TO A PROJECT TO IMPROVE WATER SUPPLY IN BALUCHISTAN AND 1.8 MILLION TO FINANCE PILOT PROJECTS FOR HARNESSING SOLAR ENERGY IN RURAL AREAS. (1 EUA CURRENTLY EQUALS 1.20 DOLLARS.) UNDER THE 1981 PROGRAM OF AID TO THE NON-ASSOCIATED STATES, COMMISSION OFFICIALS ESTIMATE PAKISTAN COULD RECEIVE AS MUCH AS 10-12 MILLION EUA, DEPENDING ON THE QUALITY OF AGRICULTURAL PROJECT PROPOSALS SUBMITTED BY ISLAMADAD (REF C). WE UNDERSTAND GOP OFFICIALS HAVE RECENTLY REQUESTED THE EC TO HELP FINANCE PAKISTAN'S "SPECIAL DEVELOPMENT PLAN" FOR

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WHAT MORE IT CAN DO FOR THE AFGHAN REFUGEES IN PAKISTAN. SEVERAL MEMBER STATES WERE PARTICULARLY DETERMINED THAT ANY FOOD AID PROPOSED FOR VIETNAM SHOULD INSTEAD GO TO PAKISTAN. THE COMMISSION HAS NOT YET FORMULATED A PROGRAM ADDITIONAL TO THOSE ALREADY PLANNED FOR 1981 (PARA. 8) IN RESPONSE TO POLITICAL COMMITTEE.

4. COMMISSION OFFICIALS EXPRESSED DUBITAGE OVER FACT THAT PAKISTAN HAS NOT BEEN MORE STRONGLY RUNNING ITS OWN CASE FOR EXTERNAL ASSISTANCE. MOST OF SUBSIDIES TO EC HAVE COME FROM THIRD PARTIES.

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(B) PROJECT AID.

EC DECIDED IN DECEMBER 1980 THAT PAKISTAN SHOULD, UNDER 1980 AID PROGRAM FOR NON-ASSOCIATED STATES, RECEIVE 8.5 MILLION EUROPEAN UNITS OF ACCOUNT UNDER THIS BUDGET MEANS TO BE
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PAGE 03

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ALLOCATED AS FOLLOWS: 4 MILLION TO A PROJECT TO IMPROVE WATER SUPPLY IN BALUCHISTAN AND 1.5 MILLION TO FINANCE PILOT PROJECTS FOR HARNESSING SOLAR ENERGY IN DESERT AREAS. (1 EUA CURRENTLY EQUALS 1.20 DOLLARS.) UNDER THE 1981 PROGRAM OF AID TO THE NON-ASSOCIATED STATES, COMMISSION OFFICIALS ESTIMATE PAKISTAN COULD RECEIVE AS MUCH AS 10-12 MILLION EUA, DEPENDING ON THE QUALITY OF AGRICULTURAL PROJECT PROPOSALS SUBMITTED BY ISLAMABAD (END C). WE UNDERSTAND GOP OFFICIALS HAVE RECENTLY REQUESTED THE EC TO HELP FINANCE PAKISTAN'S "SPECIAL DEVELOPMENT PLAN" FOR

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BALUCHISTAN.

(C) EMERGENCY RELIEF.

WE ARE TOLD BY COMMISSION OFFICIALS THAT, DUE TO BUDGETARY STRINGENCIES, A CASH CONTRIBUTION TO UNHCR'S REFUGEE PROGRAM IN PAKISTAN "IS NOT ENVISAGED AT THIS TIME." ON THE OTHER HAND, PRIVATELY THEY DO CONCEDE THAT IF THERE IS SUFFICIENT EC MEMBER STATE SUPPORT SOME EMERGENCY AID MONEY COULD BE FOUND, PROVIDED UNHCR PRESENTS A WELL DOCUMENTED CASE FOR IT. LAMB

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